Special purpose vehicle for infrastructure sector

2918. SHRI JESUDASU SEELAM: Will the Minister of FINANCE be pleased to state:

(a) whether Government plans to set up special purpose vehicles for infrastructure sector;

(b) if so, whether he has prepared a model concession agreement to facilitate public; private partnership;

(c) whether model concession agreements are being developed to facilitate public, private partnership for infrastructure;

(d) whether he has taken various measures to increase investment in infrastructure;

(e) if so, whether to accelerate and increase public, private partnerships in infrastructure, he has taken two major initiatives; and

(f) if so, what is outcome of this decision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) and (c) Committee on infrastructure has decided that Inter Ministerial Groups will evolve Model Concession Agreements (MCA) in respect of National Highways, Airport and Ports respectively.

(d) and (e) Yes, Sir. A scheme for providing viability Gap Funding has been approved to promote public private partnership in infrastructure sector.

Government has also approved the setting up of a SPV for providing long-term debt for infrastructure projects.

(f) 8 projects have been received for under the scheme for viability gap funding. The scheme for setting up a SPV for providing long-term funds has been notified.

Marginal growth in income tax collection

2919. SHRI MOOLCHAND MEENA: Will the Minister of FINANCE be pleased to state:

(a) whether till September, 15 this fiscal, corporation tax collections

posted growth of 55 percent whereas personal Income Tax showed a marginal growth of about 5 percent;

(b) if so, whether despite sluggish growth in Income Tax revenue that is way below Budget target of 40%, Government have projected 34% growth in direct tax revenue;

(c) whether direct tax collections inclusive of FBT, Banking Cash Transaction Tax, Security Transaction Tax and wealth tax till August 30 grew 32 per cent to Rs. 36,000 crore; and

(d) if so, what are other steps being considered by Government to improve direct tax revenue?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PLANIMANICKAM): (a) The flash figures of collection of direct taxes as on 15th September, 2005 did show a growth of 54.65% in Corporate income tax and 4.53% in Personal income tax, over the collections made in the corresponding period of last year. However, such lop-sided growth rates were obtaining on account of the fact that collection of Rs. 6,120 crore made during May—September, 2004 under corporate income tax was wrongly classified as personal income tax.

After correcting the misclassification, the growth rates of corporate and personal income tax as on 30th September, 2005 got modified to 28.45% and 8.08%, respectively.

(b) Revision of the budget-target of direct taxes, if at all, would be considered by the Government after analyzing the trends of collections at the end of Decernber, 2005.

(c) The direct tax collections, inclusive of FBT, Banking Cash Transaction Tax, Security Transaction Tax and Wealth Tax till 31st August, 2005, grew by 35.08% to Rs. 28,619 crore.

(d) The Government has issued a strategy document for enhancing direct tax collections, called Action Plan 2005-06, which lays down the guidelines and strategies to be followed by the Income-Tax Department. The Government is also taking necessary steps to raise revenue by completing the high-demand assessments and recovering the taxes due besides enforcing compliance of the provisions of TDS.